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CASES REFERRED TO

Supreme Court of the United States,

OCTOBER TERM, 1920.

No. 342.

JOHN SIMMONS COMPANY,
Petitioner,

vs.

THE GRIER BROTHERS COMPANY,
Respondent.

BRIEF FOR PETITIONER.

This case arises out of a patent litigation. The patent involved is the Baldwin reissue patent No. 13,542, granted March 11, 1913, for a Miner's Lamp and is owned by the petitioner, John Simmons Company, a corporation of New York, having a place of business in New York City. The respondent is Grier Bros. Co., a Pennsylvania corporation, having a place of business in Pittsburgh.

This Baldwin patent was before this court on a *writ of certiorari*, the case being entitled Abercrombie & Fitch Co. and Justrite Mfg. Co., Petitioners, *vs.* Frederick E. Baldwin & John Simmons Co., No. 67, Oct. Term, 1917. This former *writ of certiorari* was granted because of conflicting de-

cisions as to the validity of the re-issue by the Courts of Appeals of the Third and Second Circuits. The Court of Appeals for the Third Circuit, reversing the District Court for the Western District of Pennsylvania, held this reissue patent invalid. Subsequently, the Court of Appeals of the Second Circuit, affirming the District Court for the Southern District of NewYork, held the reissue valid and infringed by the same lamp structure that was before the courts of the Third Circuit. Thereupon, this Court granted a *writ of certiorari* January 10, 1916, and on December 10, 1917, handed down a decision (opinion by Mr. Justice McKenna) affirming the Court of Appeals of the Second Circuit and finding the patent valid and infringed (245 U. S. 198).

The case at bar comes before this Court on a *writ of certiorari* directed to the Court of Appeals of the Third Circuit. After this Court had handed down its decision on the case as brought before it by the first *writ of certiorari*, the District Court for the Western District of Pennsylvania, permission having first been obtained from the Court of Appeals of the Third Circuit, allowed a bill of review to be filed against the decree entered on the mandate of the Circuit Court of Appeals of the Third Circuit after said Court had found the reissue patent invalid, said bill of review bringing before the court the facts in the New York case and the decision of this Court.

After taking testimony under said bill of review and final hearing thereon, the District Court for the Western District of Pennsylvania, handed down a decision vacating the former decree and directing the entry of a decree in accordance with the decision of this Court on said first *writ of certiorari*.

The defendant-respondent appealed to the Court

of Appeals of the Third Circuit. That Court reversed the District Court and denied the right of the plaintiff-petitioner to file a bill of review. The Court of Appeals while admitting the hardship caused by its former decision, which was, as we have pointed out, squarely *contra* to the decision of this Court, held that the plaintiff had cut itself off from any relief in the premises because the plaintiff's solicitors had prepared and presented for approval of the court the form of decree which was entered in the District Court for the Western District of Pennsylvania on the mandate of the Court of Appeals. The Court of Appeals held that the presentation by plaintiff's solicitors of the decree thus entered made the decree, as to plaintiff, a consent decree, and that therefore a bill of review would not lie. The Court of Appeals further indicated that the practice which the plaintiff had adopted for bringing to its attention the decision of this Court on the former *writ of certiorari* was not the proper practice (265 F. 481).

Thereupon this Court was petitioned for a *writ of certiorari*. This Court granted this petition on June 11, 1920, directed the writ to issue, and the case is now before this Court for hearing thereon.

The various antecedent proceedings in the entire litigation are more specifically set out in the following history:

History of the Litigation.

The Court of Appeals of the Third Circuit in the case of Baldwin & Simmons Co. *v.* Grier, at final hearing, reversing the District Court for the Western District of Pennsylvania, held the Baldwin reissue patent 13,542 for a Miner's Lamp invalid on the ground that the reissue had been broadened (219 F. 735; Tr. pp. 3 to 9).

Thereafter, the Court of Appeals of the Second Circuit in Baldwin & Simmons Co. *v.* Abercrombie & Fitch Co. and Justrite Manufacturing Co., affirming the District Court for the Southern District of New York, held this same Baldwin reissue patent 13,542 valid and infringed by the same lamp structure which was before the Court of Appeals for the Third Circuit (228 F. 895).

A *writ of certiorari* having been granted, this Court affirmed the Court of Appeals of the Second Circuit, and in its opinion (Tr. pp. 19-25) stated that it had given attention to

> "especially the decision and reasoning of the Circuit Court of Appeals of the Third Circuit in Baldwin *et al. v.* Grier Bros. Co., 219 Fed. 735, but we are constrained to a different conclusion" (Tr. p. 24).

Immediately the mandate of this Court came down application was made for leave to file a bill of review in the District Court for the Western District of Pennsylvania against the decree which had been entered on the mandate of the Court of Appeals of the Third Circuit. The application was denied on the ground that the District Court had no jurisdiction to act, but without prejudice to the renewal of the application to the Court of Appeals. Such application was accordingly made, whereupon the Court of Appeals of the Third Circuit made the following order:

> "It is hereby ordered that the said plaintiffs-appellees have leave to make an application to said District Court to file a bill of review, and that said District Court be, and the same is, hereby authorized and empowered to take such action upon said petition as to it seems proper" (Tr. p. 13).

The District Court thereupon filed the bill of review and, upon final hearing, sustained the bill, vacated the decree which had been entered on the mandate of the Court of Appeals (Tr. pp. 38-43), and entered a new decree, in accordance with the decision of this Court, holding the patent valid and infringed. Defendant appealed to the Court of Appeals of the Third Circuit, which reversed the Court below, holding that the bill of review would not lie.

Petition for a *writ of certiorari* was then addressed to this Court, praying this Court to finally review this decision of the Court of Appeals of the Third Circuit and the proceedings relating to the bill of review.

This petition was granted and the case is now before this Court for hearing.

The full history of the various proceedings is as follows:

Oct. 14, 1913. Bill filed in the Western District of Pennsylvania by Baldwin & Simmons Co. *v.* Grier Bros. Co. charging infringement of reissue patent to Baldwin 13,504, for Miners' Lamp, and also charging unfair competition in trade.

July 7, 1914. Decision of District Court of the Western District of Pennsylvania (Orr, *J.*) holding reissue patent 13,542 valid and infringed and finding defendant guilty of unfair competition in trade (215 F. 735).

Jan. 22, 1915. Decision of the Court of Appeals of the Third Circuit, affirming the lower court as to unfair competi-

tion in trade but holding the reissue patent invalid because the reissue was broadened (219 F. 735; Tr. p. 3).

Feb. 24, 1915. Mandate of the Court of Appeals of the Third Circuit sent down (Tr. p. 10).

Jan. 5, 1916. Decree on the Mandate of the Court of Appeals for the Third Circuit entered in the District Court on motion of plaintiffs' solicitors (Tr. p. 11).

May 20, 1913. Bill filed in the Southern District of New York on the same reissue patent 13,542, and against the same lamp structure, against Abercrombie & Fitch Co. and Justrite Mfg. Co. (Tr. p. 51).

Feb. 6, 1915. Decision of the District Court of Southern District of New York (Mayer, *J.*) declining to follow the Court of Appeals of the Third Circuit, holding the patent valid and infringed (227 F. 455).

Nov. 9, 1915. Decision of the Court of Appeals of the Second Circuit affirming the court below (228 F. 895).

Dec. 20, 1915. Petition for *writ of certiorari* to this Court on the ground of conflicting decisions, on the same state of facts, by the Courts of Appeals of the Third and Second Circuits (Tr. p. 67).

Jan. 10, 1916. Petition for *writ of certiorari* granted by this Court.

Dec. 10, 1917. Decision of this Court affirming the Court of Appeals of the Second Circuit (Tr. p. 19; 245 U. S. 198).

Jan. 18, 1918. Mandate of this Court sent down and order entered thereon (Tr. pp. 25-27).

Jan. 26, 1918. Application to the District Court for the Western District of Pennsylvania, for permission to file a bill of review against the decree standing in that court.

Mar. 13, 1918. Order of the Court of Appeals of the Third Circuit referring the petition for leave to file bill of review to the District Court (Tr. p. 13).

Apr. 11, 1918. Bill of review filed (Tr. p. 15).

Jan. 10, 1919. Supplemental bill filed in the District Court of the Third Circuit because of change of title (Tr. p. 33).

Oct. 7, 1919. } Opinions of the District Court sus-
Nov. 7, 1919. } taining the bill of review and vacating the decree standing therein (Tr. pp. 38-43; F.).

Apr. 14, 1920. Decision of the Court of Appeals of the Third Circuit, holding that the bill of review will not lie (Tr. pp. 85-91; 265 F. 481).

May 15, 1920. Petition for *writ of certiorari* directed to the Court of Appeals of the Third Circuit from its decision on the Bill of Review.

June 11, 1920. Petition for *writ of certiorari* granted by this Court (Tr. p. 93).

The decision of the Court of Appeals of the Third Circuit holding that a bill of review will not lie in this case is contrary to the decision of this Court in National Brake and Electric Co. *v.* Christensen, U. S. Sup. Ct. Adv. Op. 1920-21, Feb. 1, page 188.

In National Brake & Electric Co. *v.* Christensen the two patents in suit were adjudged valid and infringed by decisions of the Court of Appeals of the Seventh Circuit and the District Court for the Eastern District of Wisconsin, and an accounting was begun. On March 11, 1916, the plaintiffs in the Seventh Circuit litigation, Christensen and Allis-Chalmers, filed a bill against the Westinghouse Traction Brake Co. in the District Court for the Western District of Pennsylvania. The District Court and the Court of Appeals of the Third Circuit found one of the patents in suit invalid and dismissed the bill as to the other patent for want of prosecution.

Thereupon, the defendants in the Wisconsin case petitioned the Circuit Court of Appeals for the Seventh Circuit to take jurisdiction of the petition to inquire into and determine the status of the case and the force and effect of the final judgment of the District Court of the Western District of Pennsylvania, to hold the same to be a final adjudication, and to hold that the petitioner was entitled to a final decree in the suit in Wisconsin dismissing the same for want of equity. The Court of Appeals of the Seventh Circuit refused to consider this petition. Petition was then addressed to this Court for a *writ of certiorari* which was granted. In re-

versing the decree of the Circuit Court of Appeals for the Seventh Circuit, this Court said:

> "In such case the Brake & Electric Company, if it wished to avail itself of the Pennsylvania decree, had the right to apply by petition in the appellate court of the seventh circuit for leave to file a bill in the court of original jurisdiction, in the nature of a bill of review, setting up the new matter as a bar to further proceedings. Such applications are addressed to the sound discretion of the appellate tribunal, and should be decided upon considerations addressed to the materiality of the new matter and diligence in its presentation. Goodyear Rubber Co. *v.* Goodyear, 9 Wall. 805, 19 L. ed. 828; *Re* Gamewell Fire-Alarm Telg. Co., 20 C. C. A. 111, 33 U. S. App. 452, 73 Fed. 908; Keith *v.* Alger, 59 C. C. A. 552, 124 Fed. 32; Society of Shakers *v.* Alger, 23 C. C. A. 263, 47 U. S. App. 170, 77 Fed. 512."

And further:

> "That leave to file a supplemental petition in the nature of a bill of review may be made after the judgment of the appellate court, and after the going down of the mandate at the close of the term at which judgment was rendered, was held in *Re* Gamewell Fire-Alarm Teleg. Co., 20 C. C. A. 111, 33 U. S. App. 452, 73 Fed. 908, in a carefully considered opinion rendered by the circuit court of appeals for the first circuit, reciting the previous consideration of the question in cases in this court. We think these cases settle the proper practice in applications of this nature."

The facts in this case are essentially the same as those of the case at bar and this decision by this Court disposes of the basic proposition of the Court of Appeals of the Third Circuit that the proper practice was not followed in the case at bar and

that a bill of review will not lie. The fact that the plaintiff has filed a bill of review in the case at bar, whereas the defendant was given the right to file one in the Seventh Circuit litigation certainly cannot amount to a distinction.

Respondent argued before the Court of Appeals of the Third Circuit that the ruling of this Court in Henry *v.* Dick, 244 U. S., p. 651, which will be later referred to, did not apply, the substance of the argument being that where there is error in a patent case, if the error works injustice to the defendant, the error may be corrected, but if the error works injustice to the plaintiff, no remedy exists. It cannot be true that the defendant in a patent case has a remedy from a mistaken view of the law, while the plaintiff is remediless. There cannot be one kind of law for a defendant and another for a plaintiff.

If a bill of review will lie to relieve a defendant from miscarriage of justice in a patent case, and this Court has held that it will, there is certainly no reason why a bill of review will not lie to relieve a plaintiff from a miscarriage of justice.

The decision of the Court of Appeals of the Third Circuit is contrary to the practice authorized by this Court in Henry *v.* Dick Co., 244 U. S. 651.

The case of Henry *v.* Dick, 224 U. S. p. 1, was certified to this Court from the Second Circuit, the question involved being that of contributory infringement. After the decision of this Court a final decree was entered in the Southern District of New York, this decree, holding the patent valid and infringed and ordering an injunction.

After the decision of this Court in Motion Picture Patents Co. *v.* Universal Film Co., 243 U. S. 502, overruling Henry *v.* Dick (224 U. S. 1), defendant applied to this Court for permission to file a bill of review in the District Court for the Southern District of New York, against the decree which had been entered in Henry *v.* Dick. Although a final decree had then been entered for more than four years after the term in which that case had been disposed of by this Court, this Court granted permission to file a bill of review (244 U. S. 651). The bill of review was accordingly filed, the decree was revised and the injunction vacated.

Although the action of this Court in granting the bill of review in Henry *v.* Dick was referred to by the District Court in its opinion (Tr. p. 42) and was strongly urged upon the Court of Appeals of the Third Circuit, it does not refer to it in its opinion.

The decision of the Court of Appeals of the Third Circuit is in conflict with the decision of the Court of Appeals of the Eighth Circuit in Omaha Electric Light Co. *v.* City of Omaha, 216 F. 848.

The decision of the Court of Appeals of the Third Circuit, when the case was originally before it, was based solely on the ground that the patent in suit was invalid because it had been broadened by reissue. This Court on the *writ of certiorari* in the Second Circuit case specifically held the contrary. After quoting the matter which the Court of Appeals of the Third Circuit held broadened the reissue, this Court said:

> "We are unable to assign to this the extent of alteration that counsel do, nor do we think

it necessary to rehearse the details of their argument. We have given it attention and the cases it cites, especially the decision and reasoning of the Circuit Court of Appeals of the Third Circuit in Baldwin *et al. v.* Grier Bros. Co., 219 Fed. 735, but we are constrained to a different conclusion. Indeed, we are of opinion that the original patent did not need the exposition of the reissue. It exhibited an invention of merit, certainly one entitled to invoke the doctrine of equivalents. Paper Bag Patent Case, 210 U. S. 405" (Tr. p. 24).

There was, therefore, error of law apparent on the face of the decision of the Court of Appeals of the Third Circuit, this error being apparent without further examination of the facts. This error was an incorrect interpretation of Revised Statutes, Sec. 4916, relating to the reissue of defective patents, and the misapplication of the provisions of this section to the patent in suit, this section being subsequently correctly interpreted and applied to the patent in suit by the District Court and the Court of Appeals of the Second Circuit, these decisions being subsequently affirmed by this Court. **This error was not made apparent nor was it caused to exist by reason of the decision of this Court.** It existed in the decision of the Court of Appeals *ab initio*, but after this Court had spoken the existence of this error of law was not open to denial.

In Omaha Electric Light Co. *v.* City of Omaha, 216 F. 848, an Electric Light Company brought suit to enjoin the City of Omaha from interfering with its transmitting wires. The Court of Appeals for the Eighth Circuit held that plaintiff's franchise had expired and an appeal to this Court was dismissed on the ground that a federal question was

not raised. Thereafter, Old Colony Trust Co., trustee of a mortgage on the Electric Light Company's property, brought suit against the City for the same purpose. The Court of Appeals again held that the franchise had expired. On appeal this Court reversed holding (230 U. S. 100) that the franchise had not expired. A bill of review was thereupon filed in the first suit, *i. e.*, the suit in which the Electric Light Co. was the plaintiff. The Court of Appeals of the Eighth Circuit entertained this bill of review and vacated its decree in the first suit, saying (216 F., p. 851):

> "If we have the power to revise our decree and issue a mandate in harmony with that of the Supreme Court, it is plainly our duty to do so. This we should do not only to protect the rights of the plaintiff as a litigant, but as a matter of public policy to preserve the orderly administration of justice and avoid an unseemly conflict of judicial mandates."

Again, pages 855, 856, the Court of Appeals said, referring to the decision of this Court in the other case:

> "While no mandate can run from its decision to our decree, a mandate of judicial authority does run from it, which we ought not to disregard. * * * Certainly our duty is plain. We ought to harmonize our decree and mandate with those of the Supreme Court.
>
> "* * * It is entirely plain that if the decision of the Supreme Court had been rendered before our decree, our decree would have been different. Applying the analogies of Lord Bacon's first ordinance in regard to bills of review, that decision constitutes new matter which hath arisen since the decree. In fact, it is precisely the kind of new matter which the

Chancellor had in mind in framing the second clause of his ordinance. This is plain from his sixth ordinance, which reads as follows:

> 'No decree shall be made upon pretense of equity against the express provision of an act of Parliament. Nevertheless, if the construction of such act of Parliament hath for a time gone one way in general opinion and reputation, and after, by a later judgment, hath been controlled, then relief may be given upon matter of equity for cases arising before the said judgment, because the subject was in no default.'" * * *

In the case at bar and in the Omaha case there was, therefore, error of law on the face of the record which was apparent without further examination of questions of fact.

In the case at bar this error consisted in an erroneous application of the reissue statute. In the Omaha case it consisted in an erroneous application of the law relating to the expiration of the Electric Company's franchise. In each of these cases, there could be no doubt as to the existence of error after this Court had spoken. In each case a bill of review was filed. The Court of Appeals of the Eighth Circuit entertained the bill of review and reversed its former decision. The Court of Appeals of the Third Circuit has held that under the same circumstances a bill of review will not lie.

The Omaha case was urged upon the Court of Appeals of the Third Circuit but it is not referred to in the opinion.

The Court of Appeals of the Third Circuit erroneously held that the decree in Baldwin *v.* Grier against which the bill of review is filed, is a consent decree.

The Court of Appeals of the Third Circuit announced the proposition that when a party to a suit prepares and presents for entry in a District Court a form of decree in accordance with the opinion and mandate of a Court of Appeals, the decree entered, so far as the party preparing and presenting is concerned, becomes a consent decree.

The Court said:

> "We note the general principle that a bill of review will not lie where the decree in question was a consent one: Thompson *v.* Maxwell, 95 U. S. 391. Now, while the decree before us is not a decree based on a compromise or consent of the parties, yet as the entry of a decree dismissing the bill as to the patent was one in favor of the defendant, and the defendant was taking no step, it would seem that there is substantial ground for contending that when the plaintiffs themselves took the matter into their own hands and themselves prepared, moved and had entered the decree which dismissed their patent bill, such voluntary action on their part in entering the decree in favor of their adversary, was not only in form but in substance, and by positive act on their part, a consent, and, so far as they were concerned, a consent decree" (Tr. p. 89).

The Court of Appeals of the Third Circuit adduces no authority for the doctrine here announced, and we know of none.

It is, of course, true that a bill of review will not lie from a consent decree, but it is equally true that an appeal will not lie from a consent decree,

But under this pronouncement of the Court of Appeals of the Third Circuit, if an unsuccessful plaintiff prepares and presents for entry a decree in accordance with the decision of the court, that decree, as to the plaintiff, becomes a consent decree and the plaintiff by preparing and presenting it *ipso facto* cuts himself off from the right of appeal. In such a case if the defendant refuses to prepare and present the decree all right of appeal would be cut off.

The Court of Appeals of the Third Circuit in its opinion refers to the fact that the decree gave the plaintiff "affirmative relief", referring thereby to plaintiff's right to begin accounting proceedings.

Now, in a patent case, in which a part of the claims are found valid and infringed and a part found invalid or not infringed, if the plaintiff prepares and presents a decree ordering an injunction and accounting on the claims sustained, he gains affirmative relief on the claims sustained. If the Court of Appeals of the Third Circuit is correct, however, he thereby cuts himself off from any right of appeal on the claims on which the court has found against him, because the decree becomes, by the act of preparing and presenting it, a consent decree on the part of the plaintiff.

It seems unnecessary to point out that the entry of the decree in this case was necessary in order to perfect plaintiffs' right to a bill of review. It is, of course, basic to the right to file a bill of review against a decree that the decree against which the bill is to be filed must be entered.

Further, a fair account in any case is an advantage to both parties, and the plaintiffs in this case went no further with their accounting proceedings than to get an account stated and the books in the

hand of the Master. Accountings at best are difficult proceedings and where they cover transactions for a period of years anterior to the decree, books become lost and witnesses die or forget. The plaintiffs, therefore, gained no advantage, in taking steps to get the account stated and the books filed, which the defendant did not share equally with it, because it was as much an advantage to the defendant to get a fair accounting as it was to the plaintiffs.

The Court of Appeals of the Third Circuit bases its refusal to follow the decision of this Court on the procedure adopted. It recognizes the inequities created by its decision and indicates that its action would have been different had the procedure been such as to prevent the entry of the decree against which the bill of review is filed.

The question, if there was any, as to the proper practice in this case has now been settled by the decision of this Court in National Brake and Electric Co. *v.* Christensen, *supra*.

The Court of Appeals of the Third Circuit, however, suggests that plaintiff might have applied to it to withhold its mandate after the decision by the District Court in the Southern District of New York. We pass without consideration the suggestion that the Court of Appeals of the Third Circuit would have withheld its mandate because a District judge in another circuit had declined to follow its decision, especially in view of the fact that, in making its decision, it reversed a District Court of its own circuit.

The Court of Appeals of the Third Circuit also

suggests that application might have been made to it to prevent the entry of a decree on its mandate after the conflicting decision of the Court of Appeals of the Second Circuit. How the situation would have been changed had the plaintiff made such application does not appear, for the Court of Appeals of the Third Circuit, at that time, had no power over its mandate. The mandate went down on the 24th of February, 1915. The term ended in March of that year; a second term had elapsed, and a third term had begun before the decision of the Court of Appeals of the Second Circuit came down.

It is well settled that a court has no power to revoke its mandate and direct the entry of a different decree below after the term has expired during which the mandate has gone down. Sibbald *v.* U. S., 12 Peters, 488; Reynolds *v.* Manhattan Trust Co., 109 F. 97; Waskey *v.* Hammer *et al.*, 179 F. 273.

The Court of Appeals of the Third Circuit also suggests that the plaintiff might have applied for a *certiorari* in Baldwin *v.* Grier. The Court, however, says:

> "We do not say that the plaintiffs were bound to do so; we only say they could have so petitioned."

There was no ground for applying for *certiorari* in this case until after the decision of the Court of Appeals of the Second Circuit in Baldwin *v.* Abercrombie & Fitch, and proceedings for the writ were begun very shortly after this decision. Now, the sole ground on which the writ was applied for and granted was the conflicting decisions of the Courts of Appeals of the Second and Third Circuits (see Petition, Tr. p. 67 *et al.*). The lamp structures in-

volved are identical in their relation to the patent. There was no question of infringement in either case. The sole question presented in both cases was the validity of the reissue. In other words, the sole question involved was a question of law, the facts being identical in both cases. There was, therefore, nothing in the record in this case which would have in any way enlightened this court, or which would have tended to change the decision rendered in Baldwin *v.* Abercrombie & Fitch. That case was, in fact, a test case, and there was not only no reason for not taking up to this court the same state of facts and the same question of law in two cases, but such course was unnecessary and improper. Further, the taking up of the case of Baldwin *v.* Grier to this Court would have imposed unnecessary labor on this Court and would have involved unnecessary expense, because the record in Baldwin *v.* Grier contained not only the facts before this Court in Baldwin *v.* Abercrombie & Fitch, but also a large amount of testimony relating to unfair competition with which this Court would have had nothing to do.

Again, the defendant has suffered no injury and the plaintiff has gained no advantage by the course which has been pursued.

A *writ of certiorari* could not have been applied for in this case until the decree on the mandate of the Court of Appeals of the Third Circuit had been entered. This Court would certainly not have granted a writ with the case hanging in the air. Had a writ been asked, this Court might have very well declined to grant it on the ground that the sole question involved was already before it in Baldwin *v.* Abercrombie & Fitch, but had it granted a writ, the only way in which the condition of the case would have been changed is that it would have

been mandatory upon the Court of Appeals of the Third Circuit to do that which it had the power to do, and should have done, under the bill of review, according to the principles announced by this Court in National Brake and Electric Co. *v.* Christensen, *supra*.

The Court of Appeals of the Third Circuit misinterprets the ground of the bill of review, and the authorities it cites do not apply.

The bill of review was applied for because of error apparent on the face of the former decision of the Court of Appeals of the Third Circuit. The District Court (Orr, *J.*) in its opinion on the bill of review states:

> "The error of law was the alleged improper application of the provisions of the Revised Statutes, Section 4916, relating to the reissue of defective patents, to the reissued patent in suit" (Tr. p. 41).

This error of law did not result from any change in the reissue law in the period between the decision of the Court of Appeals of the Third Circuit and the decision of this Court; nor any change in the interpretation of the reissue law. The decision of this Court on the former *writ of certiorari* did not change the interpretation of the reissue law and thus convert the decision of the Court of Appeals into an erroneous decision. As before stated the decision of the Court of Appeals of the Third Circuit was wrong *ab initio*.

The Court of Appeals of the Third Circuit, how-

ever, after stating the familiar two grounds for a bill of review, goes on to say:

> "Such being the law as to bills of review, this case resolves itself into the question whether the subsequent decision of the Supreme Court on this patent at 245 U. S. 198, constituted one or both of such grounds" (Tr. p. 90).

The Court of Appeals of the Third Circuit, therefore, holds that its decision was originally right and that the error therein was injected into it by the decision of this Court. Putting it another way, the Court of Appeals of the Third Circuit appears to be of opinion that there was no error in its decision until this Court handed down the opinion on the *writ of certiorari* (245 U. S. 198). In brief, what this Court held was that the Court of Appeals of the Second Circuit was right in its interpretation of the reissue law and the Court of Appeals of the Third Circuit was wrong in its interpretation of the law. The decision of this Court did not make the decision of the Court of Appeals of the Second Circuit right and the decision of the Court of Appeals of the Third Circuit wrong. The decision of this Court did, however, afford an authoritative ground on which the error in the decision of the Court of Appeals of the Third Circuit could be brought to its attention. Under these conditions, the authorities referred to by the Court of Appeals of the Third Circuit do not apply.

Referring to Tilghman *v.* Werk, decided by Judge Jackson, afterwards Mr. Justice Jackson, 39 F. 680, the facts which led up to this decision were as follows:

The Tilghman patent was involved in three suits, one against Mitchell, one against Proctor and one

against Werk. In the Mitchell suit this Court decided that the patent was not infringed (Mitchell *v.* Tilghman, 19 Wall. 287).

The suit of Tilghman *v.* Proctor next went to this Court and is reported 102 U. S. 707. On a somewhat different record this Court found the patent to be valid and infringed.

Thereafter Tilghman *v.* Werk came before Judge Jackson on a petition to vacate a decree of April 9, 1878, dismissing the Werk suit, this decree having been entered prior to the decision of this Court in Tilghman *v.* Proctor. In dismissing this petition, which was not a bill of review, Judge Jackson said:

> "the question is presented whether a change of its ruling or decision by the Supreme Court on a question of law or fact, or upon a mixed question of law and fact, constitutes such new matter as will sustain a bill of review to vacate decrees of the circuit court pronounced before such change was made. We think, upon principle and authority, this proposition cannot be maintained."

The decision in Tilghman *v.* Werk cannot apply here, **because in the case at bar there has been no change of ruling or decision by the Supreme Court on any question of law or fact or upon a mixed question of law and fact.** As before pointed out, the interpretation of the reissue law not was changed by the decision of this Court on the former *writ of certiorari.*

In this connection, we call attention to the fact that the ruling of this Court in allowing a bill of review in the case of Henry *v.* Dick, 244 U. S. 651, is contrary to this *dicta* in the decision in Tilghman *v.* Werk. This Court, by its decision in Motion

Picture Patents Co. *v.* Universal Film Co., 243 U. S. 502, directly overruled Henry *v.* Dick, 224 U. S. 1, and in so doing, changed the construction of the patent law so far as it applies to the question of contributory infringement. The bill of review, which was later allowed in Henry *v.* Dick, 244 U. S. 651, was allowed because this Court had changed its ruling on a question of law.

We further call attention to the comment of the Court of Appeals of the 8th Circuit on the decision of Tilghman *v.* Werk, in the Omaha case, *supra.*

> "If there was no change in the situation of the parties after the entering of the decree in the first case cited, so as to make a revision of the decree inequitable, we should have thought a bill of review would have properly lain in that case after the decision of the Supreme Court of the United States in Tilghman *v.* Proctor, 102 U. S. 707; 26 L. Ed. 279."

Judge Hand in *re* Brown, 213 F. 701, commented on this case as follows:

> "In Tilghman *v.* Werk (C. C.) 39 Fed. 680, Judge Jackson declined to regard a change in the decision of the Supreme Court as the ground for a bill on newly discovered evidence; whether he might have held it good as error apparent of the record does not appear."

In Hoffman *v.* Knox, 50 Fed. 484, the Circuit Court entered a final decree pursuant to a statute of the State of Virginia, which statute was subsequently held unconstitutional by the highest court of Virginia. Thereafter, a petition for rehearing was filed which it was held came too late, but which the Circuit Court held could be treated as a bill of review for error apparent. On appeal to the Court

of Appeals of the Fourth Circuit, Justice Fuller, afterwards Chief Justice (p. 491), held:

> "The fact that nearly eighteen months after the decree of October 14, 1887, the Court of Appeals of Virginia decided these laws to be unconstitutional for the reasons stated was not enough in itself to create error of law apparent and justify a bill of review on that ground or that of new matter *in pais*. * * * but this rule cannot be applied where the construction contended for has not been announced at the time of the final adjudication by the United States Court so as to make the law erroneous on its face by relation."

In other words, this decision holds that the law of Virginia, upon which the first decision was based, not having been held unconstitutional at the time the decision was rendered there was no error on the face of the decision, and the subsequent declaration, by the highest court of Virginia, that the law was unconstituional did not inject error into the decision.

The distinction between this case and the decision of the Court of Appeals of the Third Circuit in Baldwin *v.* Grier is clear. In Hoffman *v.* Knox it was sought to impose an error on the face of the decision by reason of the subsequent declaration of the highest court of Virginia that the law on which the decision was based was unconstitutional, *i. e.*, it was sought to impose an error on the face of the decision because there had been a change in the law. In Baldwin *v.* Grier, the error was not imposed on the face of the decision by any subsequent change of law.

We also call attention to the statement of Judge Hand respecting this decision in *re* Brown, *supra:*

> "Thus in Hoffman *v.* Knox, 50 Fed. 484, the Circuit Court made its own ruling upon the

> constitutionality under the state Constitution of a state statute. Later the state court held differently in another case, a decision which is usually as absolutely conclusive as a ruling of the Supreme Court itself. The Court of Appeals for the Sixth Circuit, Chief Justice Fuller presiding, held that such a ruling did not constitute error apparent on the record. It must be conceded, however, that it is not certain that the ground of decision was not in part due to the unwillingness of the court, as matter of substantive law, to make the state decision apply as *ex post facto*."

Scotten *v.* Littlefield, 235 U. S. 410, was one of a number of bankruptcy cases which grew out of the bankruptcy of A. O. Brown & Co. Scotten and Scotten & Snydecker had certain claims which, with a number of others, were passed on by the Court of Appeals of the Second Circuit in *In re* Brown, 193 F. 24. These claims were subsequently determined adversely to the claimants by this Court in First National Bank of Princeton *v.* Littlefield, 226 U. S. 110. In the meantime another creditor, one Gorman, had instituted a separate proceeding against Littlefield (Trustee in Bankruptcy) to reclaim certain shares of copper stock, and the Court of Appeals of the Second Circuit held that this stock was not sufficiently identified (184 F. 454). From this decision, appeal was taken to this Court, which reversed on the ground that there was sufficient proof of identity. (Gorman *v.* Littlefield, 229 U. S. 19.) Scotten, and Scotten and Snydecker, then petitioned for leave to file a bill of review. This was refused, the Court of Appeals of the Second Circuit (*In re* Brown, 213 F. 705) saying:

> "It is the theory of these claimants that if the rule enunciated in Gorman *v.* Littlefield had been applied to the facts in their cases it

would have been held that as to their steel stock identity had been proved. *They therefore bring this bill of review which in substance and effect prays for a retrial of their respective claims. They contend that they did not present any argument to the District Court or to the Court of Appeals or to the Supreme Court as to this part of their claim and that in their record on appeal they left out some of the testimony that referred to the steel stock; also that the appelate courts did not deal with that question.*

It appears then that these claimants originally advanced the claim which is the subject of their bill of review; that they either took all the testimony they could muster in its support, or had full opportunity to do so before the referee. That they elected not to argue before the District Court the proposition that they had traced their steel stock into the block of 1,000 shares which was pledged to the Hanover Bank. That, although many months before their appeal was argued in this court the Gorman case had been disposed of here and an appeal from our decision therein taken (by their own counsel, who also appeared for Gorman), they elected not to present and argue the question (or at least present and reserve it) that our decision in the Gorman Case was unsound. That before the Supreme Court they elected not to call attention to this same question, although for some reason the appeal in the Princeton Bank and these two cases came on for argument there before the earlier appeal in the Gorman Case.

Their theory seems to be that they may bottle up part of their claim, which was, as originally presented, a single one, during review by three successive courts and then years afterwards bring it forth de novo to be presented for decision." (Italics ours.)

This decision of the Court of Appeals of the Second Circuit makes it clear that the alleged bill

of review in the Scotten case was not a bill of review for error apparent on the face of the proceedings without further examination of questions of fact. On the contrary, as the Court points out, this bill of review sought a retrial of the case, including the taking of additional testimony and the presentation of an additional question to the appellate courts. It was not contended that as this case was presented to the Court of Appeals there was error, but that if the claimants had opportunity to retry their case, in view of the decision of this Court, announced in Gorman *v.* Littlefield, it could be retried in such a way as to establish the claims. On appeal, this Court said:

> "Both courts below put their decisions on the ground that the appeal to the circuit court of appeals from the original order of the district court in the reclamation proceedings really involved the claim for the United States Steel stock in its present aspect, and that if not presented to the court of appeals when there on appeal it could not be held back and made the subject of a bill of review, as is now attempted to be done. We think this decision was clearly right. Furthermore, the ground alleged for the bill of review now is that the principles which determined the disposition of the Gorman Case, 229 U. S. 19 (decided May 26, 1913, a little more than two years after the decree in the district court), reversing (411) the circuit court of appeals in the same case (99 C. C. A. 345, 175 Fed. 769), would, had they been applied in this case, have required a different result in the district court in dealing with the original petition in reclamation, so far as the three hundred shares of the United States Steel stock, pledged with the Hanover National Bank, are concerned.
>
> Bills of review are on two grounds: first, error of law apparent on the face of the record

without further examination of matters of fact; second, new facts discovered since the decree, which should materially affect the decree and probably induce a different result. 2 Bates, Fed. Eq. Proc. 762; 2 Street, Fed. Eq. Pr., Sec. 2151.

If the decision in the Gorman Case would have required a different result if the principles upon which it was decided had been applied in the original proceeding, which we do not find it necessary to decide, such subsequent decision will not lay the foundation for a bill of review for errors of law apparent, or for new matter *in pais* discovered since the decree, and probably requiring a different result. Tilghman *v.* Werk, 39 Fed. 680 (opinion by Judge Jackson, afterwards Mr. Justice Jackson of this court); Hoffman *v.* Knox, circuit court of appeals, fourth circuit, 1 C. C. A. 535, 8 U. S. App. 19, 50 Fed. 484, 491 (opinion by Chief Justice Fuller)."

The District Court for the Western District of Pennsylvania (Orr, *J.*) refers to this decision as follows:

"The defendant has cited Scotten *v.* Littlefield, 235 U. S. 407, as a complete precedent which should govern the present case and require a dismissal of the bill of review. Had the Court in that case not dismissed the bill of review, there would have necessarily been a further examination of matters of fact and the consideration of a question which was held back in other proceedings and subsequently made the subject of a bill of review. It is insisted by counsel for the defendant that in the case just cited, the Supreme Court squarely holds that a subsequent decision by it will not lay the ground for a bill of review. To this proposition the Court cannot agree" (Tr. p. 41).

It is believed that this summary of this case by the District Court for the Western District of Pennsylvania is correct.

The differences between Scotten *v.* Littlefield and the case at bar are sufficiently marked. In the case at bar no question "was held back in other proceedings and subsequently made the subject of a bill of review". The bill of review is sought not for the purpose of retrial, but because of an error apparent on the face of the record, that is, in the decision of the Court of Appeals of the Third Circuit.

Certainly, in view of the entire dissimilarity of the facts involved, Scotten *v.* Littlefield can have no bearing on the case at bar, and this is made the more apparent by the fact that the cases cited therein, namely, Tilghman *v.* Werk, 39 F. 680, and Hoffman *v.* Knox, 50 F. 484, have no application to the case at bar.

In its brief in opposition to the grant of the writ respondent relied on the Rubber Tire Cases (Diamond Rubber Co. *v.* Rubber Tire Co., 220 U. S. 428). The Rubber Tire Cases neither raised nor decided any question involved here. The Court of Appeals of the Sixth Circuit held the Grant tire patent invalid, and thereafter the Court of Appeals of the Second Circuit held this patent valid, which holding was affirmed by this Court. There were, in all, three litigations aside from that in the Second Circuit, two in the Sixth Circuit and one in the Seventh Circuit. The successful defendants in these litigations were respectively the Goodyear Tire Co., the Kokomo Tire Co. and the Victor Tire Co.

The Court of Appeals of the Second Circuit properly excepted from its injunction wheels, that is, assembled tire, rims and retaining rings, made by

the Goodyear, Kokomo and Victor concerns, because the decrees under which they were operating were in force. It may be remarked, however, that it was subsquently held in several cases that the tires or rubber shoes made by these companies in the Sixth and Seventh Circuits could not be sold and combined by the purchaser outside these circuits with rims and holding rings.

The Court of Appeals of the Second Circuit excepted from its injunction the wheels made by the three companies referred to, because the decrees in the Sixth and Seventh Circuits under which they wre operating could not, of course, be set aside by the Court of Appeals of the Second Circuit. No attempt was made to set aside those decrees in the circuits in which they were made, and they could not, of course, be collaterally attacked in another circuit.

In this case, we are directly attacking, by the bill of review, the decrees between Grier Bros. Co. and John Simmons Co. We are not collaterally attacking that decree in a circuit outside that in which the decree was rendered. What was done in the Rubber Tire Cases, therefore, can have no bearing in this proceeding.

The Decree Works Irreparable Injury to the Plaintiffs.

The reissue here involved has been found to be valid by the highest authority, *i. e.*, by this Court in its decision, 245 U. S. 198. That this respondent is an infringer there is no doubt. Infringement was found by the District Court of the Western District of Pennsylvania and that finding was not disturbed by the Court of Appeals. The lamp complained of in the Second Circuit is identical with

the lamp put out by this defendant except for a difference in shape which, of course, is immaterial. Therefore, the exact structure complained of in this case was determined by this Court to be an infringement of this patent. The patent is valid as against every one in the United States except this respondent, and the effect of the decree now standing is to practically constitute this respondent a part owner of the patent. Having built up a business on a flagrant infringement—for its lamps was held to be an exact and unfair copy of plaintiff's commercial lamp—it can manufacture in the Third Circuit, and, under Kessler *v.* Eldred, 206 U. S. 285, can sell infringing lamps anywhere in the United States in direct competition with plaintiff's licensees and on better terms because it pays no license fee. Respondent is therefore, by an erroneous application of the law, placed in a better position in respect to this patent than any one in the country. Surely, it needs no argument to show that this condition of affairs violates all principles of justice and equity.

As this Court pointed out in its decision on the former *writ of certiorari:*

> "The plaintiffs (we shall so designate respondents) struggled through some years and some litigation to the success of the decrees in the pending case. In a suit brought in the District Court for the Southern District of Illinois a device like that of the defendants herein was held to be an infringement of certain claims of the original patent. The holding was reversed by the Circuit Court of Appeals for the Seventh Circuit. Bleser *vs.* Baldwin, 199 Fed. 133.
>
> Subsequently, the reissue having been granted, suit was brought in the Western District of Pennsylvania against an asserted infringer. Unfair competition was also alleged,

> and, holding the latter to exist, the court granted a preliminary injunction (210 Fed. 560). Upon final hearing that holding was repeated, and infringement of a claim of the re-isue patent decreed. 215 Fed. 735. The decree was reversed by the Circuit Court of Appeals (Third Circuit) on the ground that the claim of the re-isue patent found to have been infringed was broader than a corresponding claim of the original letters patent and therefore void. The holding of the District Court as to unfair competition was sustained. 219 Fed. 735. Aided by the reasoning in the opinions of those cases and the discussion of counsel, we pass to the consideration of the proposition in controversy" (Tr. p. 20).

The record before this Court on the *writ of certiorari* to the Second Circuit showed that the plaintiffs were the first to develop a portable miner's acetylene lamp and that through their efforts a market had been established for this lamp in the face of unusual difficulties and in spite of the prejudice against the adoption of this new illuminant. If, however, the decision of the Court of Appeals of the Third Circuit stands, all these efforts and all this previous litigation may go for naught. The respondent, Grier Bros. Co., as above stated, occupying as it does a better position with respect to the trade because it has no investment in the patent and no license fees to pay, can manufacture in the Third Circuit and can make better terms as to price and drive plaintiff and its licensees from the market.

As stated by the District Court for the Western District of Pennsylvania (Orr, *J.*):

> "In the first place, the law, as interpreted by the Supreme Court of the United States, is the law which should govern all subordinate

Federal Courts. In the second place, if the later decision of the Supreme Court of the United States cannot be invoked for the relief of the plaintiffs, they are in a situation not contemplated by the States when they gave authority to Congress to secure to inventors the exclusive right to their discoveries and inventions for a limited period, or by the Congress of the United States when it legislated in pursuance of such authority. By the decision of the Supreme Court of the United States, the validity of the reissue patent may secure to the plaintiffs rights thereunder in all parts of the United States, except within the limitations of the Third Judicial Circuit. Plaintiffs' rights to the invention would not be exclusive for any period within that Circuit in which is embraced the great anthracite and bituminous coal fields of the State of Pennsylvania" (Tr. p. 41).

The mere fact that a decision has been rendered by a Court of Appeals in a patent case does not except the decision from the operation of a bill of review.

Respondent argued, and the Court of Appeals of the Third Circuit seems to be of opinion, that the mere fact that a Court of Appeals has rendered a final decision in a patent case excepts the decree entered thereon from the action of a bill of review,—that such a decree is characterized by a peculiar sanctity which renders it irrevocably "settled law" between the litigants.

It seems to be argued that the setting aside of a final decree in a patent case by a bill of review is fraught with much graver results than where the decree affects any other sort of property and that, therefore, a defendant in a patent case becomes vested absolutely with the right to continue

the infringement of a valid patent although such right rests on an erroneous decree.

Wharton's Legal Maxims, Maxim 58 (p. 132), seems to apply to a patent case as well as to any other.

> "Though a judgment binds the parties until it is reversed, yet it cannot be alleged against a reversal of it."

After pointing out that this may be thought to be contrary to the maxim that it is for the interest of the state that there be an end of lawsuits and that no one ought to be twice punished for the same fault, Wharton states:

> "But error in judgment does not come within either of these rules; for it is a failure of justice, and must be remedied under the maxim, '*De fide et officio judicis non recipitur quæstio: sed de scientia sive sit juris aut facti.*'"
>
> [Of the good faith and intention of a judge a question cannot be entertained; but it is otherwise as to his knowledge, or error, be it in law or in fact.]

Further, since the purpose of a bill of review is to set aside an erroneous decree we see no reason why a decree entered on the decision of a circuit court of appeals in a patent case should be excepted from its operation. As we view the matter, once error in a decree is established, no matter whether it be a decree entered on the decision of a circuit court of appeals or any other court, or whether it relates to a patent or any other form of property, then a condition has arisen in which a bill of review may be applied for. Whether such application shall be allowed depends, of course, on the circumstances of the case. As this Court

points out in National Brake and Electric Co. *v.* Christensen, *supra,*

> "such applications are addressed to the sound discretion of the appellate tribunal and should be decided upon considerations addressed to the materiality of the new matter and the diligence in its presentation."

This matter becomes of grave importance in view of Section 1228*a* Compiled Statutes, in effect September 6, 1916, providing that a *writ of certiorari* will not be entertained unless the petition is applied for within three months after the entry of the judgment or decree complained of. It is obvious that two conflicting decisions of two courts of appeals and the judgments thereon, especially in patent cases, will, practically speaking, never be rendered within three months of each other. Until such conflicting decisions are rendered, there is usually no ground for application for *writ of certiorari.* If, after such conflicting decisions, a writ be granted in the second case and this Court renders a decision affirming the decision in the second case, the principles announced in the decision of this Court can never be applied to the first case, unless a bill of review will lie, no matter what the equities may be or how strongly the circumstances of the case may demand it.

No change has occurred in the status of the parties since the entry of the decree and there are no facts in the case which make this bill of review inequitable.

After the Court of Appeals of the Third Circuit had referred the application for leave to file the bill of review to the District Court, it was

open to the defendant-respondent, in opposing the application, to show if it could, by affidavits or otherwise, any facts relating to a change in the status of the parties which would render the filing of a bill of review in this case inequitable. It made no such showing.

After the bill of review was filed, plaintiff-petitioner took testimony thereunder to introduce into the record the decision of this court, to introduce the proceedings in the Second Circuit litigation, and to prove that the lamp before the Second Circuit courts was the same so far as the patent was concerned as the lamp involved in the Third Circuit litigation. Here, again, defendant-respondent had opportunity to establish, by testimony, any facts which would render a bill of review in this case inequitable. It took no testimony. It follows, therefore, that the status of the parties is precisely the same as it was when the decree was entered on the mandate of the Court of Appeals of the Third Circuit.

Further, there are no facts in this case which make this bill of review inequitable. While the decision of the Court of Appeals of the Third Circuit was rendered January 22, 1915, the order on the mandate was not entered in the court below until a year later, that is, January 5, 1916. The injunction issued by the District Court was in effect until the decree on the mandate of the Court of Appeals was entered. During this year, however, the litigation in the Second Circuit was completed and the *certiorari* asked for. Judge Mayer rendered his opinion February 6, 1915, the Court of Appeals its affirming opinion November 9, 1915, and the application for *certiorari* was granted January 10, 1916, that is, only five days after the court

below had entered its decree on the mandate of this Court.

Now, the defendant must have been fully apprised of these proceedings. The president of the defendant, Justrite Mfg. Co., in the New York suit, Fred. J. Becker, and its superintendent, Hansen, both testified for the defendant here, and Becker introduced as exhibits two of the Justrite lamps which were complained of in the New York suit. With this close connection between the defendants in these suits, and the inevitable knowledge in the trade of what was going on, it is imposible that this defendant was not fully informed as to the proceedings in the New York case including the grant of the *certiorari*.

Under the bill of review an accounting should be allowed for the entire period of infringement.

The District Court in its first opinion excepted from the accounting the period of infringement antedating the filing of the bill of review, but its supplemental opinion (Tr. p. 43), filed after argument on the settlement of the decree, reversed its holding and held that

> "Reliance upon a decree which is erroneous should not protect a party when such decree is subsequently set aside for error."

And further stated that

> "It seems to be the correct principle that as between the parties to the original litigation, the vacation of a decree by a bill of review leaves such original parties in the same position as if the original decree had not been entered" (Tr. p. 43).

Of course, the sole purpose of a bill of review is to review an erroneous decree and restore the parties to the same position which they would have occupied had the erroneous decree not been rendered.

Story's Equity Pleadings, 10th Edition, Par. 403 (p. 455), states:

> "A bill of review is in the nature of a writ of error, and its object is to procure an examination, and alteration, or reversal of a decree made upon a former bill."

In Griggs *v.* Gear, 3 Gilman, Supreme Court, Ill., it is stated:

> "Bills of review are in the nature of writs of error filed in the same court where the decree in the original cause was entered, calling upon the court to review and reverse the former decree."

In Mitford & Tyler's Equity Pleadings, Edition of 1878, page 186, it is said, referring to bills of review and particularly to the decree

> "If it (the decree) has been carried into execution, the bill may also pray the further decree of the court, to put the party complaining of the former decree into the situation in which he would have been if that decree had not been executed."
>
> See also Foster's Fed. Practice, Par. 354, p. 1123.

In Bush *v.* U. S., 13 Fed. 625, the United States had brought an action against Griswold and others, Bush being among the defendants. Bush thereafter filed his bill of review against the decree in U. S. *v.* Griswold. A motion to dismiss was filed on the ground that, as the United States could not be sued without its consent, and as it had not con-

sented to the filing of this bill of review, the bill had no standing in court. The court held that the bill of review was not an original proceeding, but that it was an auxiliary or supplementary proceeding growing out of the former action and that the United States was already in court. The Court said:

> "A bill of review is an established mode of proceeding in a court of equity by which the defendant may have a decree given against him reviewed for errors upon its face by the court that pronounced it. It is only a more formal mode of rehearing the case and is an incident to the original suit."

Applying these principles to the case at bar, it is clear that the effect of filing the bill of review was to reopen the entire case and to put it in the same position as though the decision of the Court of Appeals had not been rendered; that is, the effect of filing the bill of review was to refer the parties to their *status quo ante*. When the petition for leave to file the bill of review was referred by the Court of Appeals to the District Court below with power to act, that court was given the power to affirm or vacate the former decree. When that court, in the exercise of the power thus given, vacated the former decree, and directed the entry of another decree, that decree properly placed the parties in the same position in which they would have been had the former decision of the Court of Appeals never been rendered.

Indeed, following the principles laid down in Griggs *v.* Gear, Foster's Fed. Practice, and Bush *v.* U. S., *supra*, no other course was open A bill of review, if sustained, can have no effect except to

put the parties in the position which they would have occupied had the decision originally been the other way.

This is pointed out in Sturrock *v.* Littlejohn, 68 L. J. 165 Q. B. In this case, the plaintiff—a former defendant—filed his bill of review against the former decision. The court sustained the bill of review and allowed costs to the plaintiff *in both actions*, saying, referring to the present plaintiff and former defendant:

> "He ought to be replaced in the same position as though that action (*i. e.*, the former action) had been brought to its legitimate conclusion in his favor.

This case is a complete precedent for the decree which was entered under the bill of review. Petitioner, on the bill of review, must necessarily "be replaced in the same position as though" the former action "had been brought to its legitimate conclusion in petitioner's favor". The District Court properly therefore gave an accounting for the full period of the infringement and allowed costs in both actions.

We further call attention to the fact that a decree giving petitioner an accounting in this case takes nothing from respondent. Respondent having infringed the patent, has made gains and profits from that infringement which it ought not to be entitled to keep. It has been frequently held that an infringer is a trustee for the owner of the patent for profits made from an infringement and as such trustee in this case respondent should be compelled to account for the profits and gains it has made.

Assume, for instance, that an action between A and B as to ownership of a building, the court of

last resort finds the title in A and subsequently, on the filing of a bill of review, reverses that judgment and finds the title in B. Certainly, A would not be entitled to retain the rents and profits received by him under the erroneous decision. But, if in the case at bar, respondent is relieved from an accounting for any part of the period of infringement, it is permitted to keep gains and profits which it received by reason of the unlawful use of petitioner's patent. As we view the matter, respondent is no more entitled to retain the gains and profits made by reason of an infringement of a patent than it would be to the rents which it received on account of real estate wrongfully held under color of law.

Further, should any period of the infringement be excepted from the accounting, the effect would be to take from petitioner and turn over to respondent profits which have accrued because of the infringement. Instead of replacing petitioner, as stated in Sturrock *v.* Littlejohn, *supra*, in the position it would have occupied had the original action gone to its legitimate conclusion in its favor, denial of an accounting for any part of the period in effect mulcts petitioner to the advantage of the respondent. It is again urged that the grant of an accounting for the entire period does not take from respondent anything which it fairly gained. It simply requires the surrender of that which respondent would not have had except for an unlawful use of petitioner's property.

Conclusion.

We respectfully submit that the decision of the Court of Appeals of the Third Circuit should be reversed.

Respectfully submitted,

JAMES Q. RICE,
Counsel for Petitioner.

March 17, 1921.

H8180

Supreme Court of the United States,

OCTOBER TERM, 1921.

No. 57.

JOHN SIMMONS COMPANY,
Petitioner,

vs.

THE GRIER BROTHERS COMPANY,
Respondent.

SUPPLEMENTAL BRIEF FOR PETITIONER.

In the supplemental brief filed on behalf of respondent October 13, 1921, the point is raised that the bill of review in this case was barred by lapse of time. It is argued that a bill of review cannot be filed after the expiration of the period during which an appeal may be taken.

Whether the authorities cited in this supplemental brief establish this point or not, is not material here, because in this case there was no right of appeal from the decision of the Court of Appeals of the Third Circuit. Under the statute, the decision of a court of appeals is final in patent causes. If, therefore, respondent's argument as to the analogy between appeals and bills of review holds, then a bill of review can never be filed in a

patent cause after decision by a court of appeals, because there is no time within which an appeal can be filed.

The statement in respondent's brief on page 5 that

> "at that time (Jan. 22, 1915) the period within which an appeal might be taken was one year"

is, therefore, entirely misleading as applied to this case, because, under the law an appeal to this court from the decision of the Court of Appeals of the Third Circuit, could not be taken within one year or within any period.

In any event, the matter has been settled by the action of this court in Henry *v.* Dick, 244 U. S. 651. There this Court allowed a bill of review to be filed against its decision in Henry *v.* Dick, 224 U. S. p. 1, more than four years after the term had expired during which the first case was disposed of.

The real question at issue is, of course, the question of laches. The decisions referred to in respondent's brief all, in effect, hold that a bill of review should not be received after a period of unreasonable delay. In the present case, there was no delay. The petition for the allowance of the bill of review was filed January 26, 1918, or eight days after the mandate of this Court in the Second Circuit case, Baldwin *v.* Abercrombie & Fitch Co. was sent down and the order entered thereon.

Respectfully submitted,

JAMES Q. RICE,
Of Counsel for Respondent.

October 28, 1921.